WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Middlemen in Defence deals

602. SHRI GURUDAS DAS GUPTA:
SHRI RAMDAS AGARWAL:
SHRI J. CHITHARANJAN:
SHRI VEDPRAKASH P. GOYAL:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government have decided to order probe by the Central Vigilance Commission / Central Bureau of Investigation / Comptroller and Auditor General with regard to major post-1985 defence deals and the reasons therefor;

(b) if so, what are the terms of reference and investigation time frame set by Defence Ministry;

(c) whether it is a fact that despite the ban on middlemen and agents in defence deals, the allegations of corruption / insinuations regarding their presence in such purchases continue to surface in media; and

(d) if so, what steps Government have taken so far to ascertain truth / transparency in defence deals?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) The Government is aware of allegations of irregularities including corruption and involvement of agents and middlemen in various defence deals continue to appear in the media and elsewhere. During the course of the Short Duration Discussion in the Rajya Sabha on 23rd December 1999 on Defence Procurement Procedures, a number of Hon'ble Members of Parliament has alleged irregularities in some defence procurements.

With a view to ensure absolute probity in defence procurements and in deference to the suggestions made by the Hon'ble Members of Parliament, the Government has requested the C and AG to carry out a Review / Special Audit of the allegations pertaining to:

(i) excessively and wrongly bought spares that are reportedly lying as junk in various depots,

(ii) alleged irregularities in emergency procurements for Kargil operations, and

(iii) non-transfer of technology, even though contracted and paid for.

For the same reasons, the Government has also requested the Central Vigilance Commission for instituting a probe by the CBI or any other appropriate agency into the following allegations:

(i) involvement of agents / middlemen in major Defence deals after imposition of ban on involvement of agents,

(ii) allegations made during the course of Short Duration Discussion in the Rajya Sabha on 23rd December 1999 regarding irregularities in Defence procurements, and

(iii) allegations made in the writ petition filed by a serving Rear Admiral in the Delhi High Court.

The Ministry of Defence is extending all possible co-operation to the CVC and the C and AG for expeditious completion of Review / Special Audit / investigations by them.

Probe into Defence deals

603. SHRI VAYALAR RAVI: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have ordered any investigations on the Defence purchases for the last 15 years (since 1985);

(b) if so, the details thereof;

(c) the terms of reference, if any; and

(d) whether it. includes the "purchase of Russian Tanks and spare parts of the Bofors Gun?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES):

(a) to (d) With a view to ensure absolute probity in defence procurements and in deference to the suggestions made by the Hon'ble Members of Parliament, the Government has requested the C&AG to carry out a Review / Special Audit of the allegations pertaining to:

(i) excessively and wrongly bought spares that are reportedly lying as junk in various depots.

(ii) alleged irregularities in emergency procurements for Kargil operations, and